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Prospects for Agricultural Markets 2001-2008

European Union

From 1995 to 1998 the poultry sector had an average growth rate of 3.2 percent. However, in 1999 production was 1.2 percent lower than 1998 due to the French cutback in production, the Dioxin crisis in Belgium and the outbreak of avian influenza in Italy. In 2000 production decreased an additional 1.2 percent to 8.6 million metric tons. In 2001 production is expected to increase by around 3.4 percent to around 10 million metric tons. The BSE crisis in the beef sector benefited mostly the poultry sector, which is quicker to respond to a sudden increase in demand.

Imports are projected to increase slightly over the medium term, on the assumption that the actual level of border protection and current access will be maintained. In addition, imports under GATT (General Agreement on Tariff and Trade) minimum access and other market access agreements will increase somewhat. Exports are likely to continue to grow slightly in the medium term in line with higher EU production and growing international trade.

Outlook for World Meat Trade, 2000 - 2008 ('000 cwe)

	2000		2008		Change in trade	
	USDA	FAPRI	USDA	FAPRI	USDA	FAPRI
Beef	4,258	3,071	5,041	4,037	783	966
Pork	2,237	2,252	2,886	2,831	649	579
Poultry	5,029	4,076	6,121	4,688	1,092	612

cwe - carcass weight equivalent

Outlook for Poultry Meat Net Imports for 2000 - 2008 ('000 MT)

	2000		2008		Change in trade	
	USDA	FAPRI	USDA	FAPRI	USDA	FAPRI
Russia*	1000	895	1248	790	248	-105
China (mainland)	815	770	968	842	153	72
Hong Kong	320	286	389	326	69	40
Mexico*	270	159	368	148	98	-11
Japan	565	546	610	623	45	77
Saudi Arabia	373	352	398	411	25	59
South Korea	64	51	100	61	36	10

USDA: *Gross Trade

World

World poultry meat production and consumption are predicted by the OECD (Organization for Economic Co-operation and Development), FAO (Food and Agriculture Organization of the United Nations) and FAPRI (Food and Agricultural Policy Research Institute) to increase sharply over the next seven years by more than 20 percent, an average annual growth of 2.5 percent. Overall, most of the growth in production and consumption is to be found in the developing countries, notably in the expanding economies of Asia.

FAPRI and USDA projections exhibit a sustained growth in China mainland consumption which would outstrip production. Mexico's net imports are projected to decline in the OECD and FAPRI outlook as growth in domestic production would outpace an increasing internal consumption due to declining feed costs and comprehensive vertical integration in the poultry sector. Prospects for Russian poultry meat imports vary as much should depend on the pace of modernization of the domestic production sector.

Poultry Meat Market in the CEECs, 1999-2008 (in million tons)

	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
Production	1.71	1.74	1.81	1.85	1.89	1.94	1.98	2.03	2.07	2.12
Internal Use	1.61	1.67	1.73	1.77	1.81	1.85	1.88	1.92	1.96	2.00
Balance	0.09	0.07	0.08	0.08	0.09	0.09	0.10	0.11	0.11	0.12
Per Capita Consumption (lbs)	33.88	34.98	36.30	37.18	37.84	38.72	39.38	40.26	40.92	41.8

CEEC - Central and Eastern European Countries

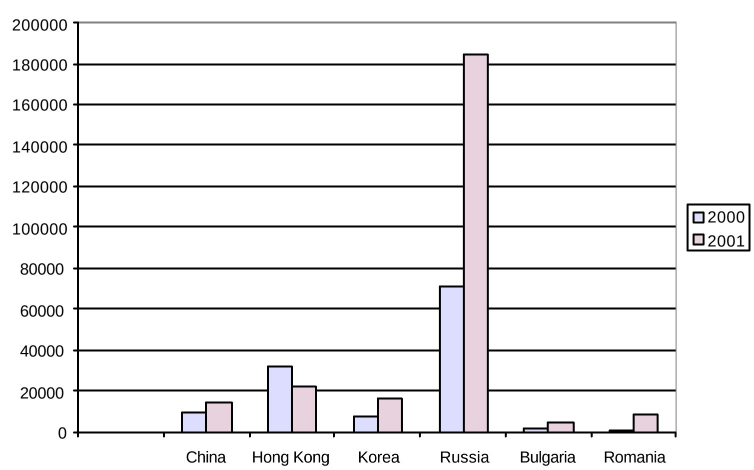
Source: European Commission, Common Agricultural Policy Report

U.S. Chicken Leg Quarter Exports in metric tons

	2000 Jan-May	2001 Jan-May	2000 May	2001 May
China	9,650.3	14,150.8	2,883.6	3,089.4
Hong Kong	31,819.3	22,207.0	7,308.4	3,198.4
Korea	7,442.2	16,403.9	2,240.9	3,603.1
Russia	71,126.5	184,822.9	8,632.0	55,923.8
Bulgaria	1,242.9	4,093.6	299.8	1,249.7
Romania	970.2	8,429.3	828.7	1,872.7

Source: Department of Commerce, U.S. Census Bureau, Foreign Trade Statistics

U.S. Leg Quarter Exports, Jan-May Comparisions (Metic Tons)



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Inspected Egg Products-U.S. & Canada Export/Import Trade

U.S. Exports to Canada, in Pounds (000) (Preliminary)

Week Ending Jul 14, 2001	2001	2000 /1	Year-To-Date 2001	Year-To-Date 2000
Liquid	182	182	5,960	3,356
Frozen	0	0	78	126
Dried	0	18	40	304
Total	182	200	6,078	3,786

U.S. Imports From Canada, in Pounds (000) (Preliminary)

Week Ending Jul 14, 2001	2001	2000/1	Year-To-Date 2001	Year-To-Date 2000
Liquid	125	111	2,877	3,234
Frozen	111	28	758	406
Dried	8	33	309	643
Total	244	172	3,944	4,283

Inspected Shell Eggs

U.S Exports To Canada, In 30-Dozen Cases (Preliminary)

Week Ending Jul 14, 2001	2001	2000 /1	Year-To-Date 2001	Year-To-Date 2000
Jumbo	0	60	87	861
Extra Large	1,620	1,194	26,266	23,585
Large	2,360	3,168	65,548	78,810
Medium	1,320	942	26,098	18,585
Ungraded	4,470	11,250	188,660	143,644
Misc	2,370	750	48,274	6,987
Total	12,140	17,364	354,933	272,472

/1 Comparable Week, to-date figures may not total due to rounding.

Source: USDA/AMS Poultry Programs, Market News Branch in cooperation with Agriculture Canada, Poultry Development Division.

LIVE POULTRY SLTRD UNDER INSPECTION W/E 14-Jul-01

(PRELIMINARY) **U.S. FOWL SLAUGHTERED DOMESTICALLY**

	LIGHT HENS	HEAVY HENS	TOTAL HENS
	THOUSANDS		
HEAD	1,685	1,642	3,327
LAST WEEK	1,449	1,237	2,686
SAME WEEK YR AGO	1,882	1,428	3,310
TO-DATE/2001	49,922	37,893	87,815
TO-DATE/2000	55,025	39,026	94,051

U.S. FOWL SLAUGHTERED IN CANADA

	LIGHT HENS	HEAVY HENS	TOTAL HENS
	THOUSANDS		
HEAD	490	4	494
LAST WEEK	304	0	304
SAME WEEK YR AGO	587	16	603
TO-DATE/2001	13,237	191	13,428
TO-DATE/2000	13,777	275	14,052

SOURCE: AGRICULTURE CANADA, PLTRY DEVELOPMENT DIV.

TOTAL U.S. FOWL SLAUGHTERED IN THE U.S. AND CANADA

	LIGHT HENS	HEAVY HENS	TOTAL HENS
	THOUSANDS		
HEAD	2,175	1,646	3,821
LAST WEEK	1,753	1,237	2,990
SAME WEEK YR AGO	2,469	1,444	3,913
TO-DATE/2001	63,159	38,084	101,243
TO-DATE/2000	68,802	39,301	108,103

CENTRAL REGION MECHANICALLY SEPARATED CHICKEN

F.O.B. SHIPPER DOCK OR EQUIVALENT, PRICES NEGOTIATED FOR MECHANICALLY SEPARATED CHICKEN IN THE CENTRAL REGION IN TRUCKLOT AND LESS THAN TRUCKLOT VOLUMES, CENTS PER POUND, DELIVERY WITHIN TWO WEEKS.

20-JUL-2001

CHICKEN —— PRICES ———— VOLUME —— (Cents per Pound)

FAT CONTENT	FROZEN	FRESH	TOTAL	EXPORT
15% OR LESS				
RANGE	-	-	-	-
WTD AVERAGE				

CHICKEN, WITH SKIN ADDED

—— PRICES ———— VOLUME —— (Cents per Pound)

FAT CONTENT	FROZEN	FRESH	TOTAL	EXPORT
15% OR LESS				
RANGE	-	20.00-21.00	122,400	-
WTD AVERAGE		20.33		
15-20%				
RANGE	17.00-20.00	17.00-20.00	1,162,800	612,000
WTD AVERAGE	18.67	18.48		
20% OR MORE				
RANGE	-	-	-	-
WTD AVERAGE				

* INCLUDES THE STATES of AL, AR, IA, IL, IN, KS, KY, LA, MI, MN, MO, MS, ND, NE, OK, OH, SD, TN, TX, WI

EASTERN REGION MECHANICALLY SEPARATED CHICKEN

F.O.B. SHIPPER DOCK OR EQUIVALENT, PRICES NEGOTIATED FOR MECHANICALLY SEPARATED CHICKEN IN THE EASTERN REGION IN TRUCKLOT AND LESS THAN TRUCKLOT VOLUMES, CENTS PER POUND, DELIVERY WITHIN TWO WEEKS.

20-JUL-2001

CHICKEN —— PRICES ———— VOLUME —— (Cents per Pound)

FAT CONTENT	FROZEN	FRESH	TOTAL	EXPORT
15% OR LESS				
RANGE	23.00	-	200,000	-
WTD AVERAGE	23.00			

CHICKEN, WITH SKIN ADDED

—— PRICES ———— VOLUME —— (Cents per Pound)

FAT CONTENT	FROZEN	FRESH	TOTAL	EXPORT
15% OR LESS				
RANGE	21.00	21.00-23.00	660,000	-
WTD AVERAGE	21.00	22.19		
15-20%				
RANGE	17.50-20.50	17.50-20.00	1,502,000	780,000
WTD AVERAGE	19.23	18.56		
20% OR MORE				
RANGE	-	17.00	80,000	-
WTD AVERAGE		17.00		

* INCLUDES THE STATES of CT, DE, FL, GA, MA, MD, ME, NC, NH, NJ, NY, PA, RI, SC, VA, VT, WV

NATIONAL YOUNG TURKEY PARTS AND BULK MEAT, FROZEN (UNLESS SPECIFIED), CENTS PER LB., DELIVERED FIRST RECEIVERS, PART AND FULL TRUCKLOTS AS OF 20 JULY 2001.

The undertone on fresh tom breast meat was about steady with increased seller optimism noted due to the continued heat in the Midwest. Some processors have noted increased heat stress on live production resulting in lower trending weights. Domestic demand was light to fair with trading centered on a fair volume of fresh tom breast meat. Trading was light on Grade A 4-8 lb. breasts at lower trending prices. Export demand was fair to good on tom drums and frozen thigh meat, best on thigh meat. Trading was heavy into export channels with activity centered on frozen thigh meat and tom drums, balance light. Frozen mechanically separated turkey traded at lower trending price levels.

FRIDAY, JULY 20, 2001

EXPORT TRADING	PRICE RANGE	L.S.T. CODE 1/	WTD AVG PRICE	VOLUME (000)	WEEKLY WTD AVG PRICE	WEEKLY VOLUME (000)
DRUMSTICKS, TOMS	26.00-29.50		27.34	692	27.62	1,624
WINGS FULL-CUT - TOMS	27.00		27.00	40	27.43	140
WINGS, V-TYPE, TOM	27.00-28.00		27.28	144	27.85	352
TAILS		W	27.00	66	26.70	266
MECHANICALLY SEPARATED 4/	18.00-21.00		18.83	144	18.83	144
THIGH MEAT - FROZEN	54.00-58.00		54.61	784	54.89	2,354

THURSDAY, JULY 19, 2001

EXPORT TRADING	PRICE RANGE	L.S.T. CODE 1/	WTD AVG PRICE	VOLUME (000)
DRUMSTICKS, TOMS	27.00		27.00	40
WINGS FULL-CUT - TOMS		W	28.00	60
WINGS, V-TYPE, TOM	29.00		29.00	104
TAILS		W	27.00	66
MECHANICALLY SEPARATED 2/				
THIGH MEAT - FROZEN	53.00-58.50		55.54	456

WEDNESDAY, JULY 18, 2001

EXPORT TRADING	PRICE RANGE	L.S.T. CODE 1/	WTD AVG PRICE	VOLUME (000)
DRUMSTICKS, TOMS	26.50-29.00		27.41	328
WINGS FULL-CUT - TOMS	28.00		28.00	60
WINGS, V-TYPE, TOM		M	27.50	104
TAILS	27.00		27.00	66
MECHANICALLY SEPARATED 2/				
THIGH MEAT - FROZEN	54.00-60.00		56.07	438

TUESDAY, JULY 17, 2001

EXPORT TRADING	PRICE RANGE	L.S.T. CODE 1/	WTD AVG PRICE	VOLUME (000)
DRUMSTICKS, TOMS	28.00		28.00	380
WINGS FULL-CUT - TOMS		M	27.00	40
WINGS, V-TYPE, TOM		M	27.50	104
TAILS		M	26.60	200
MECHANICALLY SEPARATED 4/		T	25.00	104
THIGH MEAT - FROZEN	54.00		54.00	676

MONDAY, JULY 16, 2001

EXPORT TRADING	PRICE RANGE	L.S.T. CODE 1/	WTD AVG PRICE	VOLUME (000)
DRUMSTICKS, TOMS	27.50-29.50		28.37	184
WINGS FULL-CUT - TOMS	27.00		27.00	40
WINGS, V-TYPE, TOM	27.50		27.50	104
TAILS	26.00-27.00		26.60	200
MECHANICALLY SEPARATED 4/		T	25.00	104
THIGH MEAT - FROZEN		F	59.00	120

1/ CODES FOR LAST SIGNIFICANT TRADE (L.S.T.): M=MONDAY T=TUESDAY W=WEDNESDAY R=THURSDAY F=FRIDAY
2/ Product contains 15-20% fat with skin added.